

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 2/14/2012	(3) CONTACT/PHONE Jason Giffen, Director / 805-781-5708	
(4) SUBJECT Report on reorganization and workforce planning from the Department of Planning and Building.			
(5) RECOMMENDED ACTION It is recommended that the Board receive and file this report from the Department of Planning and Building regarding departmental reorganization and workforce planning.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <div style="display: flex; justify-content: space-between;"> { } Consent { } Presentation (Time Est. _____) { } Hearing (Time Est. _____) {X} Board Business </div>			
(11) EXECUTED DOCUMENTS <div style="display: flex; justify-content: space-between;"> { } Resolutions { } Contracts </div> <div style="display: flex; justify-content: space-between;"> { } Ordinances {X} N/A </div>		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <div style="display: flex; justify-content: space-between;"> { } 4/5th's Vote Required {X} N/A </div>	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <div style="display: flex; justify-content: space-between;"> {X} No { } Yes </div>	
(15) LOCATION MAP N/A	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY {X} N/A Date _____	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Jason Giffen, Director

DATE: 2/14/2012

SUBJECT: Report on reorganization and workforce planning from the Department of Planning and Building.

RECOMMENDATION

It is recommended that the Board receive and file this report from the Department of Planning and Building regarding departmental reorganization and workforce planning.

DISCUSSION

Background

In the post-Great Recession world, local government is faced with managing our organizations in a new reality – a reality where resources are scarcer, but where the expectations of our customers, stakeholders and County residents remain constant. In response, local governments are looking at how to reinvent themselves. This concept was presented in a policy issue white paper, prepared Carl W. Stenberg on behalf of the International City/County Management Association (ICMA) titled *“Coping with Crisis: How Are Local Governments Reinventing Themselves in the Wake of the Great Recession?”*, dated December 2011. The white paper identifies strategies local governments are using to evolve their organizations including personnel and human resources changes, core service and program changes, service partnerships, and restructuring.

The Planning and Building Department is no stranger to the boom and bust cycles of the building, construction and real estate markets. A significant portion of the Department’s business is tied directly to customers paying for a service provided by the Department and as these markets trend up and down, the services that the Department provides to paying customers also rises and falls.

Over the past several years, the Department of Planning and Building has made incremental organizational changes in alignment with market trends and other County-wide budget balancing efforts. This report highlights strategies and changes that the Department’s leadership has implemented to maintain organizational fitness in light of a shifting economy, changing workforce demographics and fluctuating customer and stakeholder expectations, focusing on workforce planning and organizational management to achieve structural balance and long term stability.

The Importance of Workforce Planning

Workforce planning is defined as the “Systematic identification and analysis of what an organization is going to need in terms of the size, type, and quality of workforce to achieve its objectives. It determines what mix of experience, knowledge, and skills is required and sequences steps to get the right number of right people in the right place at the right time.” (<http://www.businessdictionary.com/definition/workforce-planning.html>, 2012).

From the Department's standpoint, the need to prepare for the future has never been more important. Nationally, the U.S. workforce is aging. The number of U.S. workers aged 45 years and older is increasing, while the population of younger U.S. workers is on the decline. In essence, the labor pool is shrinking and government needs to be proactive in workforce planning to minimize service delivery shortcomings and continue to meet our constituencies' highest priorities.

Recent History of the Department of Planning and Building's Organizational Structure and Workforce

For the past eight years the Department has incrementally realigned and consolidated the organization. Prior to 2009, the Department was comprised of seven functional divisions (Building, Current Planning, Long Range Planning, Environmental, Public Information & Technology, Community Relations and Operations). In 2009, one division was eliminated and the Department was consolidated into six divisions (Building, Current Planning, Long Range Planning, Environmental, Community Relations and Operations). A part of this restructuring combined Community Relations with the Public Information & Technology division in an effort to house more diversified expertise under one divisional management structure. In 2012, we have continued this trend by consolidating our previous six divisions into three primary branches (Building, Planning and Operations) that support the Department's core service programs. This new organizational structure continues to merge divisions in order to provide for a more comprehensively trained staff that is less compartmentalized in their knowledge.

The Department made these changes to adapt the organization to a changing economy, workforce and customer base. To balance the decreases in revenue and applications for land use permits, land divisions and construction permits, the Department began to reduce its workforce incrementally by leaving vacant positions unfilled in addition to reducing the Department's position allocation list (PAL), as summarized below:

Fiscal Year	Positions on PAL (full time equivalents)	Filled Positions (full time equivalents)
FY 2005-06	115	110
FY 2007-08	114	108.5
FY 2008-09	114	102
FY 2009-10	90.25	89.25
FY 2010-11	90.25	89.25
FY 2011-12	89.25	85

This represents an overall reduction of almost 30 percent in the Department's workforce, since FY 2005-06. The Department has reduced its management and supervisory level positions, as well as, support and administrative positions. It is forecasted that modest Department workforce reductions will continue for the next two years, in alignment with the final two years of "County's Seven Year Pain Plan" and as the local building and construction industry continues to stabilize and gradually improve.

The Department's workforce reduction has been primarily achieved through attrition, which is financially prudent and has been the catalyst for many of the Department's organizational changes. Over the last six years the Department has lost a cumulative 300 years of experience and knowledge. Based on years of service statistics, the Department anticipates that an additional 645 years of knowledge and experience will be lost between FY 2012-13 and 2016-17, as employees with 25 or more years of County service retire. This projection excludes non-retirement attrition rates, which may increase the years of experience lost. For perspective, the remainder of the Department employees have less than 9.8 years of experience with the County.

Department Reorganization

This trend outlined above is not unique. In fact, it mimics a nationwide trend in the labor pool that most local government agencies are facing. To offset the loss of experience Department leadership has researched best practices in workforce planning, listened to our customers, stakeholders and staff, and is taking action to meet the challenges of the future. As a part of this effort, the Department choose to implement a reorganization that would align programs and services in a manner that facilitate a more flexible and adaptable workforce that is best prepared to meet all its customer service expectations and workforce planning challenges.

As a part of the reorganization that was implemented in January 2012, three primary branches (Building, Planning and Operations) were created that support the Department's core service programs. The Building Branch includes the Permit Center, Plan Review, Inspection Services, and Code Enforcement; the Planning Branch includes Current and Environmental Planning, Record's Management, Long Range Planning, and Housing and Economic Development; and the Operations Branch includes Accounting and Budget, Human Resources, and Information Systems.

The consolidated organizational structure is intended to establish a solid platform for the Department to:

- Create a core organizational structure that will meet the needs of the future;
- Balance resources with the a level of public service that is expected by our customers, stakeholders and County residents;
- Consolidate our work groups into inter-disciplinary work groups that afford us an enhanced opportunity to learn from past decisions and build upon these experiences;
- Emphasize the importance of the Department's goals and priorities through consolidated program leadership;
- Prepare the Department for additional, anticipated retirements over the next five years;
- Develop a skilled workforce that is flexible, accountable, innovative, collaborative, self-motivated and current with information, trends and technology in the world around them and in their field;
- Retain existing employees by offering job enrichment opportunities through a broader base of job duties; and
- Establish a dynamic work environment that is a great place to work and allows us to compete and recruit for skilled employees.

OTHER AGENCY INVOLVEMENT/IMPACT

The Department discussed the reorganization with both the Administrative Office and Human Resources Department

FINANCIAL CONSIDERATIONS

The Department has reduced General Fund Support by 27% from FY 2008-09 as a result of these organizational changes.

RESULTS

The reorganization will assist the Department in meeting changing needs and demands for customer service and stakeholders expectations. In addition, these changes to the organizational structure will help to achieve structural balance and long term stability for the Department. This supports the County's goal of a livable, prosperous and well governed community.

The Department will continue to take proactive steps to stay ahead of organizational challenges and will continue to periodically update your Board as necessary on major changes.

ATTACHMENTS

Attachment 1 - Organizational Timeline
Attachment 2 - Organization Charts (Prior and New)
Attachment 3 - Trends in Department Positions and Revenue Sources